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Supreme Court, U.
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IN THE
Supreme Court of the United States
OCTOBER TERM, 1995

HERBERT MARKMAN AND POSITEK, INC.,
Petitioners,

v.

WESTVIEW INSTRUMENTS, INC. AND
ALTHON ENTERPRISES, INC.,
Respondents.

On Writ of Certiorari to the
United States Court of Appeals
for the Federal Circuit

BRIEF FOR PETITIONERS

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(i)

QUESTION PRESENTED FOR REVIEW

In a patent infringement action for damages, is there a right to a jury trial under the Seventh Amendment of the United States Constitution of genuine factual disputes about the meaning of a patent?

(ii)

**LIST OF PARTIES TO THE PROCEEDING
PURSUANT TO RULES 24.1(b) AND 29.6**

The names of all parties in the court whose judgment is sought to be reviewed appear in the caption of this Brief for Petitioners.

LIST OF PARTIES PURSUANT TO RULE 29.6

Petitioner Positek, Inc. does not have any parent companies or subsidiaries.

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RESPONDENTS.

BRIEF FOR PETITIONERS

Herbert Markman and Positek, Inc. respectfully submit this Brief for Petitioners seeking reversal of the judgment of the United States Court of Appeals for the Federal Circuit.

OPINIONS BELOW

The opinions of the Court of Appeals are reported at 52 F.3d 967 (Fed. Cir. 1995), and are reproduced beginning at Appendix page 1a of the Appendix to Petitioners' Petition for a Writ of *Certiorari*. The opinion of the district court is reported at 772 F. Supp. 1535 (E.D. Pa. 1991) and is reproduced beginning at Appendix page 170a of the Appendix to Petitioners' Petition for a Writ of *Certiorari*.

JURISDICTION

The judgment of the Court of Appeals was entered on April 5, 1995. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1). The Petition for Writ of *Certiorari* was granted on September 27, 1995.

CONSTITUTIONAL PROVISION

The Seventh Amendment of the United States Constitution provides:

In Suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury, shall be otherwise re-examined in any Court of the United States, than according to the rules of the common law.

STATEMENT OF THE CASE

1. The Patent and The Accused System

Petitioner, Herbert Markman ("Markman"), is the inventor and owner of United States Reissue Patent No. 33,054 ("the patent" or "'054 patent") for an inventory control and reporting system.¹ Petitioner, Positek, Inc. ("Positek"), holds the exclusive license under the patent for the drycleaning industry. Respondent, Westview Instruments, Inc. ("Westview"), manufactures and sells and respondent, Althon Enterprises, Inc. ("Althon"), uses an inventory control and reporting system which infringes the '054 patent.

The '054 patent claims an inventory control and reporting system. As relevant here, the claims of the '054 patent include a data input device for entering data concerning the subject of each of sequentially entered transactions. This data is recorded by a data processor which will associate unique indicia (*e.g.*, a unique number) with each transaction. For each transaction, the data processor directs a printer to generate a printed record (*e.g.*, a ticket) which includes optically detectable bar codes representing the unique identifier of the transaction. These bar codes can be read by

¹The patent is included in the Joint Appendix at App. 293-301.

an optical scanner which is part of the system. The bar coded records can relate to an individual article or a batch of articles. Accordingly, when the object of a transaction is retrieved from inventory (be it an article or batch of articles), the scanner can be used to read the unique bar code identifier to indicate to the system that the object is being removed from inventory, without the effort or risk of error involved in manually keying the number.

The specification of the patent discloses a preferred embodiment in a drycleaning operation and the patent claims a number of embodiments in fourteen claims.² An element of the independent claim here at issue is the requirement that the invention include a data processor with "means to maintain an inventory total." The term "inventory" is not defined in the patent. The evidence at trial was undisputed that, as used in the drycleaning industry, "inventory" may refer to an inventory of clothing or an inventory of invoices with associated dollar amounts. The language of the patent, the prosecution history and the evidence at trial showed that "inventory" is not limited to descriptions of articles of clothing, but may include other types of inventory such as an inventory of invoices and associated dollar amounts.

Petitioners allege, and at trial the jury so found, that Westview's accused inventory control and reporting system infringes two claims of the '054 patent. App. 282-83. The accused system is a sophisticated inventory control and reporting system which includes a data processor with a memory operable to record descriptions of articles of clothing and a means to maintain an inventory of invoices

²Some of the patent claims are not limited to drycleaning so that articles can refer to articles other than clothing.

and their associated dollar amounts. The evidence at trial concerning the features and capabilities of the accused system was extensive and included several demonstrations of the system, App. 22-36; 206-209; as well as the testimony of Westview's president, App. 197-223; the testimony of petitioners' technical expert, App. 15-36; and the accused system's operating manuals, Record, Petitioners' Exhibits 4 and 5, brochures, App. 302-07, and computer programs, Record, Petitioners' Exhibits 10 and 11. What emerged from the evidence is a portrait of an inventory control and reporting system which infringes the literal language of the patent.

As relevant here, Westview's infringing inventory control and reporting system can be described as follows. The system includes data entry means, a data processor, a printer and an optical scanner. App. 21. At trial, there was no dispute but that the Westview system stores in its memory descriptions of articles of clothing which are maintained in the system's memory until a bar coded record containing such descriptions is printed. App. 27-30. In addition, the evidence was uncontested that the Westview system maintains indefinitely in its memory a listing of all invoices with customer numbers and corresponding dollar totals and can generate operational and management reports from this information. App. 30-32; 208; 212-14. Thus, the accused system has means to maintain a cash inventory total for each customer's order, but not a listing of individual garments. *Id.*

2. The Lawsuit and the Trial

On February 12, 1991, petitioners commenced a civil action under 35 U.S.C. § 281 in the United States District Court for the Eastern District of Pennsylvania wherein they accused respondents of infringing the patent and sought,

inter alia, money damages under 35 U.S.C. § 284. On September 24, 1991, a jury was empaneled and trial was commenced before the Honorable Marvin Katz. Partway through trial, the district judge decided to trifurcate the trial, trying infringement first and taking a verdict on infringement before continuing with the trial of the defense of invalidity.

On the issue of infringement, petitioners presented to the jury the testimony of four witnesses: an expert on computer equipment, computer matters and bar code technology, who testified concerning the operation, capacity and function of the accused system and demonstrated Westview's system to the jury, App. 9-46; an expert on patents, who explained patents and patent practice, interpreted the claims of the patent and testified on how the claims of the patent read on the accused system, App. 46-145; the inventor of the '054 Patent and himself one skilled in the art who testified, *inter alia*, about the substance of the invention and prior art, App. 160-195; and an expert on the analysis of business and financial records, App. 153-160. The testimony of these witnesses, voluminous documents (including the accused system's operating manuals, brochures and computer program) and the accused system itself were presented to the jury and received into evidence. On cross examination, Westview attacked the credibility of petitioners' witnesses and sought to suggest different versions of the facts.

The evidence at trial demonstrated, *inter alia*, that a skilled artisan would understand that, because the patent permits inventory to be controlled by batches of articles (as does the accused system), an inventory total could be in dollars associated with the batches without keeping a permanent listing of the individual articles of clothing in the system's memory. App. 30-31; 38; 56; 69-70; 74; 77-82; 97; 108;

141; 145; 169; 172-74; 194; 293-301. Westview's president -- the designer of the accused system and also one skilled in the art -- conceded during cross examination that Westview's brochures (which he had approved) described the accused system as an inventory control system, thereby recognizing that in the industry the usage of the term "inventory" includes cash totals as well as physical totals. App. 210; 302; 305; 306; 307.³ He further testified that one type of inventory a drycleaner is concerned about is cash inventory and that the accused system was designed to account for that type of "inventory." App. 212. He described the list of invoices generated by the accused system as the "dollar inventory." *Id.* In his deposition testimony read to the jury, Westview's president had also described the accused system as an "inventory control system." App. 210-211.

The evidence explained to the jury that the claims were not limited to the preferred embodiment in the specification and that, since the independent claims are satisfied by "at least one optical scanner", App. 56; 73, it covered an embodiment with one optical scanner which, unlike the preferred embodiment, did not read the bar coded record at multiple points, as one skilled in the art or in the reading of patents would understand. App. 138-140. There was evidence about prior art inventory systems and the patent was evaluated in light of those systems. App. 39-41; 175-176; 293-301. There was documentary evidence and testimony about events before the Patent Office as bearing on the meaning of the patent. App. 183-84; Record, Respondents' Exhibit 4. On the evidence, one skilled in the art would recognize that the accused

³Westview's literature described the accused system: "AMERICA'S FIRST CHOICE FOR INVENTORY CONTROL." App. 302.

system was within the scope of the two infringed claims. At least, on the trial record, inferences of fact would need to be drawn about the meaning of the patent and its application to the accused system. During the trial, the trial judge recognized the existence of evidentiary disputes and made evidentiary rulings concerning the factual disputes. *See, e.g.*, App. 39; 63; 66; 78; 169.

After the close of petitioners' infringement case in chief, respondents filed a motion for a directed verdict pursuant to Rule 50 of the Federal Rules of Civil Procedure. The trial judge deferred ruling on the motion. App. 196.

Respondents called but a single witness during the infringement portion of the trial, the president of Westview. His testimony was limited to a description of the features of the accused system. App. 197-204. On cross examination, he made the critical admissions noted above about the meaning of the term "inventory" and usage of that term in the industry and in Westview's literature, *supra* p. 6. Respondents did not offer to the jury any evidence regarding the meaning of the patent claims and the fact that the patent claims read literally on the accused device.

After the conclusion of the testimony of their single witness, respondents renewed their motion for a directed verdict. App. 224. Again, the trial judge deferred ruling on that motion, leaving the factual disputes and credibility to the jury. *Id.* Thereafter, counsel gave their closing statements. App. 227-241. Counsel for the parties vigorously argued credibility and debated the facts and the factual inferences to be drawn from the evidence. Credibility issues and factual disputes were put to the jury in a spirited, adversarial way.

The court then charged the jury on infringement. App. 246-257. The charge instructed on the burden of proof and the requirements of infringement. The district judge recognized the existence of evidentiary disputes by instructing the jury "to determine the meaning" of the disputed claim terms, taking into account not only the patent itself, but also all "other considerations" that bear on how the text "would normally be understood by those of ordinary skill in the art." App. 253. The court then instructed the jury to:

determine the meaning of the claims taking the interpretation as I've explained it to you using the relevant patent documents including the specifications, the drawings and the file histories. . . . Also relevant are other considerations that show how the terms of a claim would normally be understood by those of ordinary skill in the art.

The meaning must be of an ordinary and of a custom [sic, customary] meaning unless it appears from the file history that the inventory [sic, inventor] used the terms differently. I have interpreted those terms for you. After you've decided what the claims mean, you apply the claims as interpreted to the Westview productions, [sic, products] in question to determine if the claims read on them. App. 253.

After its deliberations, the jury returned a general verdict finding that the accused system infringes two claims of the '054 patent. App. 282-83. The jury verdict, which was consistent with the district judge's instructions, impliedly accepted the interpretation of the patent urged by petitioners. The district judge did not pose interrogatories to the jury requiring the jury to indicate expressly the interpretation which it had found. However, as the parties were preparing to move into the next phase of the trifurcated trial, the

district judge granted respondents' motion for a directed verdict.

3. The Trial Court's Opinion

The district judge held, on the deferred ruling on respondents' motion for directed verdict, that "claim construction was a matter of law for the court." 171a. Thus, the district judge reinterpreted the patent *de novo*, affording *no* deference to the interpretation found by the jury.

The district judge's opinion setting aside the jury's infringement verdict was predicated on the substitution of his erroneous interpretation of the meaning of the term "inventory" as used in the claims of the patent and his mistaken understanding of the accused device. Contrary to the language of the patent and the evidence introduced at trial, the trial judge found that the patent claims described an inventory control and reporting system that maintains throughout in its memory, indefinitely, a listing of descriptions of articles of clothing. The trial judge concluded that because the accused system does not maintain such a listing of the description of each article of clothing, it did not infringe the patent, because only a physical inventory could comport with that meaning of the patent which could not be satisfied by maintaining a cash inventory.

In reaching that interpretation, the district judge weighed the evidence, evaluated credibility, rejected evidence and purported to explain away admissions by Westview.⁴ In short, he found facts. The district judge did not purport to

⁴In one notable instance the trial judge found that Westview's own brochure was inaccurate since it belied his interpretation of the term "inventory", even though Westview had not suggested that its brochure was incorrect or misleading. 176a.

determine that the evidence was insufficient to support the jury verdict. Instead, he expressly decided that the meaning of the terms of the patent was an issue of law exclusively for him which he proceeded to decide by weighing and evaluating the evidence. 13a-14a.

4. Proceedings Before the Federal Circuit

On October 24, 1991, petitioners filed a Notice of Appeal to the United States Court of Appeals for the Federal Circuit. Petitioners submitted briefs demonstrating that the trial court failed to apply the appropriate standard of review to the jury verdict and thereby violated petitioners' Seventh Amendment right to a jury trial. Oral argument was held before a panel of the Federal Circuit on May 8, 1992. No opinion or decision was issued by the panel. Rather, on November 5, 1993, the Federal Circuit, *sua sponte*, ordered that the appeal be heard by the court *en banc*. On January 7, 1994, the Federal Circuit entered an Order noting that the appeal raised "significant issues relating to interpretation of a claim in a patent" and requested additional briefing for rehearing *en banc* with respect to four questions relating to the respective roles of the judge and jury on issues of patent claim interpretation. Oral argument was heard before the Federal Circuit *en banc* on May 4, 1994. On April 5, 1995, the Federal Circuit issued its Opinions.

5. The Opinions of the Federal Circuit

The majority affirmed. It held that interpretation and construction of patent claims which, by necessity, define the scope of the patentee's rights under the patent, is a matter of law exclusively for the court without any role for or deference to the jury, ("[t]he court has the power and obligation to construe as a matter of law the meaning of language used

in the patent claim"). 30a. Since it labelled the dispute as a question of law, the majority also held that on appeal interpretation of the patent was a matter for *de novo* review ("[W]e review district court determinations on questions of claim construction under a *de novo* standard of review, like other legal questions."). 44a n.13.⁵

While the majority spoke of "claim construction," it repudiated the traditional distinction between "construction," which involves determining the legal effect of a written document, and "interpretation," which involves determining its meaning. 21a n.6. ("[W]e conclude that the *interpretation and construction* of patent claims, which define the scope of the patentee's rights under the patent, is a matter of law exclusively for the court." (emphasis added)). 5a.

The majority made clear that its holding applied even if "[e]xtrinsic evidence" -- including live "expert and inventor testimony" -- is necessary to determine the meaning of the patent.⁶ 33a. This means that, whatever formula is used to describe the consideration of this evidence, the district judge

⁵The majority opinion also controls bench trials. The findings of a judge in a bench trial about the meaning of a patent term will be reviewed on appeal *de novo* as a matter of law, rather than under the usual clearly erroneous standard. Whether in a bench trial or in a jury trial, the new rule of the majority exalts review of a cold record over the give and take of the trial which cannot be fully captured in a written record. The massive scope of the task assigned by the majority to the Federal Circuit in patent cases is matched only by the limitless reach of the power it has assumed in those cases.

⁶The court reaffirmed the traditional rule that "extrinsic evidence," including live testimony, is appropriate to determine the "true meaning of the language employed" in the patent." 34a. Without that evidence the trier often would have no idea of the meaning of the patent or particular terms to those skilled in the art.

actually will decide the weight of evidence and credibility and demeanor of witnesses in resolving this supposed issue of law. The holding also expressly means that the district judge's decision, depending at least in part on weighing evidence and credibility, is to be reviewed *de novo* by the Federal Circuit as a matter of law, without any deference to the findings of the jury or judge. This result flows from a change of labels divorced from substance: the factual dispute merely is relabelled a question of law. After holding that the jury had no role in finding the meaning of the patent, the majority then interpreted the patent *de novo* by weighing evidence and deciding credibility, 43a, labelling that fact finding process as deciding a legal issue.⁷

The majority acknowledged that the Seventh Amendment applies to infringement actions for damages, but found no authority supporting "the proposition that claim construction was a question of fact or involved triable issues of fact to a jury in or prior to 1791." 45a. In reaching its decision, the court also acknowledged "inconsistencies" between the decision below and its prior decisions, 25a, at least seven of which it explicitly disapproved. 23a-24a.

Finally, the majority advanced several policy and theoretical arguments. It asserted that judges must interpret patents to ensure both predictability and accuracy. 28a-29a. It argued that jury determinations were inappropriate because "extrinsic evidence" could not enlarge, diminish or vary the text of the patent. 35a. And, it contended that patents are more analogous to statutes than to contracts. 51a-52a.

⁷The majority did not hold that the evidence was insufficient to support the jury verdict, or even analyze that issue. There was ample evidence to support the jury verdict.

Judge Mayer concurred but strongly criticized the majority's reasoning and characterized the majority's holding as a "sea change" in the law. 57a. He reasoned that if "extrinsic evidence" results in a "genuine dispute" over the meaning of a patent term, it "falls to the finder of fact to settle it." 64a. He was blunt that removing these disputes from the jury was "unconstitutional." 58a. Moreover, he emphasized that because infringement often turns on how the patent is interpreted, the classification of all interpretive questions as legal ones "eviscerates" both the role of the jury and the Seventh Amendment. 57a-58a. Judge Mayer's views on the majority's conclusions are well summarized in the opening paragraph of his opinion:

Today the court jettisons more than 200 years of jurisprudence and eviscerates the role of the jury preserved by the Seventh Amendment of the Constitution of the United States; it marks a sea change in the course of patent law that is nothing short of bizarre. Sadly, this decision represents a secession from the mainstream of the law. It portends turbulence and cynicism in patent litigation. For this is not just about claim language, it is about ejecting juries from infringement cases. All these pages and all these words cannot camouflage what the court well knows: To decide what the claims mean is nearly always to decide the case. 57a.

Judge Rader concurred, but did not address the Seventh Amendment issue. 81a-82a.

Judge Newman dissented. 83a. She concluded that disputes about the meaning of patents are factual ones, informed as they are by live testimony about the scope and content of prior art, events that occurred during the prosecution history, and the usages and customs of the relevant

scientific community. 83a-92a. On the Seventh Amendment question, she set forth extensive historical evidence that infringement cases in general, and patent interpretation issues in particular, were tried to juries in England beginning at least as early as 1623. 118a-129a. She characterized the majority's treatment of the Seventh Amendment as nothing short of "egregious."

The most egregious lapse in the majority's ruling is its discard of the jury right in patent cases. As I said at the outset, patent infringement has been tried to a jury in the United States for two hundred years, and in England since at least 1623. . . . Patent infringement trials at common law included determination of validity as well as infringement. Whatever version of "law/fact" this court now chooses to adopt, it cannot redact the history of jury trials. The judicial obligation to safeguard the constitutional rights is not defeasible by calling a patent a "statute" or otherwise diminishing the vitality of the Seventh Amendment.

115a. She would have reversed and remanded.

SUMMARY OF THE ARGUMENT

The majority holding deprived petitioners of their constitutional right to jury trial under the Seventh Amendment. More importantly, it uprooted the landscape of the trial of patent infringement cases for damages and generally rejected the constitutional right to jury trial concerning the meaning of patents without citing or considering the historical record in England as of 1791.

The Seventh Amendment, which concededly applies to patent infringement actions for damages, preserves the right to jury trial as it existed in England in 1791 when the Bill of Rights was adopted. This constitutional right extends to

statutory and other claims which are analogous to claims that existed at common law. The right cannot be abridged by changes in form or labels; otherwise the Seventh Amendment would be an empty historical relic.

Patents are interpreted to determine their meaning to those skilled in the art, to whom the patent disclosures are directed. That determination -- what does a patent term mean to one skilled in the art -- is on its face a factual issue. Significantly, it is settled that extrinsic evidence, including documentary evidence, testimony, expert opinions and evidence about the prior art, may be considered in interpreting a patent to determine what it means to one skilled in the art. No formula or label can obscure the reality that, when such evidence is considered, it is weighed, credibility is assessed and demeanor is evaluated -- and facts are found. Such a dispute is a classic factual issue which must be submitted to the jury under the Seventh Amendment.

The historical record is clearcut that in England as of 1791 disputes regarding the meaning of patents including patent specifications were decided by juries. This is demonstrated in clear precedent including instructions given to juries and opinions evaluating jury verdicts. It was clear that juries determined the "meaning of the specification" of patents. This approach was not questioned before 1791.

After 1791, the courts in England and then in America continued the pre-1791 practice. Interpretative disputes were treated as factual disputes for the jury in a jury trial. This was confirmed by Justice Story, the leading intellectual property scholar of his time, in a seminal case where he summarized English law. It was also confirmed much later by Judge Learned Hand who expressly recognized that the interpretation of patents is a factual issue.

The jettisoning by the majority of the constitutional right to jury trial in patent infringement cases is also inconsistent with a long line of precedent from this Court which the majority misreads. Seventh Amendment jurisprudence is not a search for loopholes or a manipulation of labels. It jealously guards and preserves the right to jury trial.

The majority seeks to escape the Seventh Amendment by relabelling the factual dispute as an issue of law to be reviewed *de novo* on appeal. Significantly, the majority then interpreted the patent by weighing evidence and assessing credibility and demeanor, 43a, insisting that its factfinding process is the decision of a legal issue. No fiction or formula can blur the distinction between factual disputes and legal disagreements. The Seventh Amendment and 1791 English practice cannot be so easily circumvented.

The majority attempts to justify its holding by a number of policy considerations and analogies not grounded in the Seventh Amendment. These arguments are misguided and, more importantly, are beside the point because the Seventh Amendment turns on history and substance and cannot be undermined by new labels or 1995 perceived policy. The majority's belief that it can do a better job of interpreting patents has no bearing on the Seventh Amendment question and cannot rewrite the binding historical record. Actually, the majority's new approach including *de novo* appellate review is unworkable and has and will create havoc in patent infringement litigation.

Patents are not statutes, and there is not a hint that this farfetched notion ever occurred to English common law courts in 1791. The majority's search for elusive predictability and accuracy in patent interpretation is futile and only serves to illustrate the mischief of attempting to pierce

bedrock constitutional principle by relying on passing fancies and fashions in policies. All relevant policy and other issues were decided in 1791 when the Seventh Amendment was adopted as part of the Bill of Rights. The decision of the Federal Circuit should be reversed.

ARGUMENT

I. THE DECISION OF THE FEDERAL CIRCUIT DENIES THE RIGHT TO A JURY TRIAL IN PATENT INFRINGEMENT CASES IN CONTRAVENTION OF THE SEVENTH AMENDMENT.

The issue presented involves the fundamental role of the jury in patent infringement cases. In holding that the interpretation of disputed claim terms is a matter of law, the majority eliminated, or at least sharply curtailed, the role of the jury in determining infringement.⁸ This conclusion deprives patentees and accused infringers of the right to a jury trial in a patent infringement action in violation of the Seventh Amendment. Moreover, the majority opinion of the Federal Circuit is predicated upon a misapprehension and misapplication of prior decisions of this Court.

Patents are directed to those skilled in the art. They contain technological disclosures and are written by and for the technologically experienced. The meaning and scope of the terms that define the patented invention are often in dispute in infringement litigation, as the scope of the meaning assigned to a particular term will often decide the

⁸The interpretation of patent claim language is vital, indeed usually dispositive, on infringement and is also critical and frequently dispositive on validity. In patent cases arising after the decision below, the jury will often be a futility and, in any event, will have only a secondary role. The main event will be the decision of a panel of the Federal Circuit.

issue of infringement. The task of determining what the claims mean to one "of skill in the art" is a factual inquiry. If there is a genuine dispute after consideration of the available documentation (*i.e.*, the patent specification, drawings and prosecution history), resort must be had to extrinsic evidence to ascertain the proper meaning of the claim. Such extrinsic evidence, in the form of documentary evidence or expert testimony, will seek to demonstrate what the claims mean to those skilled in the art. The prior art and the testimony of technical experts may reveal how others use and understand technical terms. In addition, the testimony of patent law experts may shed light on the proper interpretation of claims. In our adversary system there usually will be conflicting evidence bearing on the issue. It is unrealistic to think in terms of one expert simply informing or educating the judge as though there were no dispute.

Of course, when a tribunal -- judge or jury -- resolves issues by considering testimony and evidence, it must weigh conflicting evidence, make credibility determinations and judge the demeanor of witnesses. In the final analysis, it must find facts to resolve that dispute. Thus, this is a classic issue -- a factual dispute -- to be submitted to the jury as required by the Seventh Amendment. *See, e.g., Walker v. New Mexico & S. Pac. R.R.*, 165 U.S. 593, 596 (1897) ("questions of fact in common law actions shall be settled by a jury").

This inescapable reality and analysis has long been understood and recognized. For example, in *Perini America, Inc. v. Paper Converting Mach. Co.*, 832 F.2d 581 (Fed. Cir. 1987), former Chief Judge Markey expressly acknowledged the proper analytical framework when there exists a genuine factual dispute concerning the meaning of claim terms.

Perini involved an appeal from a bench trial where the court recognized that "[i]t is axiomatic, however, that this court does not undertake to retry the entire case on appeal." *Id.* at 584. While observing that the interpretation of claim terms can at times present an issue of law when there is no genuine dispute as to the interpretation of those terms, the court nonetheless emphasized that in a bench trial "[f]indings on disputed meanings of terms in the claims and on the infringement issue must be shown to have been clearly erroneous." *Id.* Judge Markey further explained that "[i]f the meaning of terms in the claim, the specification, other claims, or other prosecution history is disputed, that dispute must be resolved as a question of fact before interpretation can begin." *Id.*

Until the majority opinion below, the Federal Circuit has consistently held that claim interpretation depends on underlying factual inquiries. In a long line of cases, the Federal Circuit has held that, while the ultimate issue of claim construction is a matter of law, the resolution of that issue may depend upon contested issues of fact which are properly resolved by the jury in a jury trial or the trial judge in a bench trial.⁹ By its decision here, the majority of the

⁹*See, e.g., Arachnid Inc. v. Medalist Mktg. Corp.*, 972 F.2d 1300, 1302 (Fed. Cir. 1992); *Lemelson v. General Mills Inc.*, 968 F.2d 1202, 1206 (Fed. Cir. 1992); *Johnston v. IVAC Corp.*, 885 F.2d 1574, 1579 (Fed. Cir. 1989); *see also Tol-O-Matic Inc. v. Proma Produkt-Und Mktg. Gesellschaft m.b.H.*, 945 F.2d 1546, 1552 (Fed. Cir. 1991); *SmithKline Diagnostics Inc. v. Helena Lab. Corp.*, 859 F.2d 878, 885 (Fed. Cir. 1988); *Perini America v. Paper Converting Mach. Co.*, 832 F.2d 581, 586 (Fed. Cir. 1987); *Tillotson, Ltd. v. Walbro Corp.*, 831 F.2d 1033, 1039 (Fed. Cir. 1987); *Tandon Corp. v. U.S. Int'l. Trade Comm'n.*, 831 F.2d 1017, 1021 (Fed. Cir. 1987); *H.H. Robertson Co. v. United Steel* (continued...)

Federal Circuit has in wholesale fashion rejected this entire line of precedent which is premised on litigants' fundamental Seventh Amendment rights, which in turn, are defined by English common law as of 1791. The majority did not assert that it had relied on newly discovered evidence of that governing 1791 law. Thus, it is hard to fathom how this constitutional right could be abrogated in 1995. Policy preferences in 1995 and 1995 perceptions that judges could better do this job cannot abrogate the constitutional right to jury trials.

A. The Constitutional Right To Trial By Jury Cannot Be Extinguished By Semantical Labels.

The Seventh Amendment bestows upon a litigant in civil cases the right to a jury trial equivalent in scope to the right which existed at common law in England in 1791, the date when the Bill of Rights was ratified. *Tull v. United States*, 481 U.S. 412, 417 (1987). The Seventh Amendment right extends to statutory actions created by Congress subsequent to 1791 so long as such actions are analogous to those decided in the law courts of 18th century England. *Id.* This Court has previously taught that where the resolution of a particular question goes to the "fundamental elements" or the "substance of the common-law right of trial by jury," no court may constitutionally remove it from the jury. See

⁹(...continued)

Deck, Inc., 820 F.2d 384, 389 (Fed. Cir. 1987); *Howes v. Medical Components, Inc.*, 814 F.2d 638, 646 (Fed. Cir. 1987); *Moeller v. Ionetics, Inc.*, 794 F.2d 653, 657 (Fed. Cir. 1986); *Palumbo v. Don-Joy Co.*, 762 F.2d 969, 976 (Fed. Cir. 1985); *Bio-Rad Lab., Inc. v. Nicolet Instrument Corp.*, 739 F.2d 604, 614 (Fed. Cir.), cert. denied, 469 U.S. 1038 (1984); *McGill Inc. v. John Zink Co.*, 736 F.2d 666, 675 (Fed. Cir.), cert. denied, 469 U.S. 1037 (1984).

Walker, 165 U.S. at 596. (Seventh Amendment "requires that questions of fact and common law actions shall be settled by a jury, and that the court shall not assume directly or indirectly to take from the jury or to itself such prerogative."). Consequently, it is not the Federal Circuit's prerogative to take from a party the right to jury trial because it may deem itself better suited to find technological facts in patent cases, nor is it the prerogative of the Federal Circuit to relabel the issue to defeat the right to jury trial.

This Court has made clear in its Seventh Amendment jurisprudence that the right to a trial by jury is sacred and should be carefully guarded by the courts. As the Court observed in *Dimick v. Schiedt*, 293 U.S. 474, 486 (1935), "[m]aintenance of the jury as a fact-finding body is of such importance and occupies so firm a place in our history and jurisprudence that any seeming curtailment of the right to a jury trial should be scrutinized with the utmost care." See also *Jacob v. City of New York*, 315 U.S. 752, 752-53 (1942) ("The right of trial jury in civil cases at common law is a basic and fundamental feature of our system of federal jurisprudence which is protected by the Seventh Amendment. A right so fundamental and sacred to the citizen, whether guaranteed by the Constitution or provided by statute, should be jealously guarded by the courts.").

By sleight of hand, the majority recharacterizes factual issues properly triable to the jury as matters involving strictly legal questions. 44a. The majority's recharacterization of these issues is in direct conflict with the teachings of *Dairy Queen, Inc. v. Wood*, 369 U.S. 469, 470 (1962) and *Beacon Theaters, Inc. v. Westover*, 359 U.S. 500, 511-12 (1959), which unequivocally held that an otherwise applicable right to jury trial is not forfeited merely because

some issues otherwise triable to a jury are intertwined with legal questions reserved for the court.¹⁰

The majority's analysis is wrong for a number of independent reasons. The majority ignored clear historical evidence that juries, not judges, interpreted patents in England in 1791 and thereafter in England and the United States. It also misread a series of related decisions in which this Court addressed whether patent interpretation questions should be classified as legal or factual. In the final analysis, the majority rested primarily on a series of policy-based and theoretical arguments that have no place in this Court's Seventh Amendment jurisprudence, and are unconvincing even on their own terms. Relabelling in 1995 a factual dispute as a legal question cannot escape the Seventh Amendment.

B. The Holding Below Is Contrary To The Historical Record.

The majority's assertion that interpretive disputes present legal questions cannot foreclose constitutional analysis, for the Seventh Amendment would be meaningless if courts could evade it simply by re-classifying factual questions as legal ones. The appropriate analysis turns on substance and history, not labels. If the Seventh Amendment could be avoided by a change of label or form, it would become a dead parchment. After all, the abolition of common law

¹⁰The Federal Circuit has itself pledged its allegiance to the basic tenets of the Seventh Amendment despite its current ruling. In *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 1547 (Fed. Cir. 1983), the court stated that, "[s]o long as the Seventh Amendment stands, the right to a jury trial should not be rationed, nor should particular issues and particular types of cases be treated differently from similar issues in other types of cases."

forms of action has not abrogated the right to jury trial for their modern counterparts.

Thus, the Seventh Amendment applies not only to *claims* tried by juries at common law, but also to *issues* decided by juries at common law. See, e.g., *Ross v. Bernhard*, 396 U.S. 531, 538 (1970) ("The Seventh Amendment question depends on the nature of the issue to be tried rather than the character of the overall action."). For example, when legal and equitable claims are tried together, the Seventh Amendment attaches not only to the legal claim as a whole, but also to "'all issues common to both claims.'" *Lytle v. Household Mfg., Inc.*, 494 U.S. 545, 550 (1990) (quoting *Curtis v. Loether*, 415 U.S. 189, 196 n.11) (emphasis added)). See also, *United States v. Gaudin*, ___ U.S. ___, 115 S. Ct. 2310 (1995) (Sixth Amendment requires jury determinations of all "mixed" questions of law and fact that have "typically been resolved by juries").

The majority below conducted no historical analysis to determine whether the relevant issue -- interpretation of the patent -- was triable to a jury at common law. 45a. It made no effort to refute the scholarly summary and analysis of the historical record presented by Judge Newman. 118a-129a. The majority side-stepped the Constitutional standard appearing on the face of the Seventh Amendment and as authoritatively reinforced by this Court's clear mandate.

In fact, the historical record shows that the issue here was a jury issue in 1791. In infringement cases decided before 1791, English juries were instructed to decide questions that required them to interpret terms of art in patents. For example, in *Liardet v. Johnson* (K.B. 1778), a leading King's Bench decision, a defendant asserted that a patent was invalid because its specification had not adequately described

how to make the invention. Lord Mansfield instructed the jury to determine not only whether the device could be made, but also "all objections made to exactness, certainty and propriety of the specification." See I, J. OLDHAM, *THE MANSFIELD MANUSCRIPTS AND THE GROWTH OF ENGLISH LAW IN THE EIGHTEENTH CENTURY* 756 (1992) (printing previously unpublished jury instructions from manuscript sources).¹¹

This same conclusion was reached in *Arkwright v. Nightingale*, DAVIES PATENT CASES 37 (Common Pleas 1785). This was an action alleging the infringement of a patent for a silk and wool spinning machine. The defendant challenged the validity of the patent on the ground that the specification did not adequately disclose the alleged invention. The judge instructed the jury to weigh the credibility of the witnesses who testified at trial in determining whether the specification adequately disclosed the invention. This required the jury to evaluate testimony about the meaning, understanding and application of the patent specification. The disputed meaning of the patent was for the jury.

Similarly, in *Turner v. Winter*, 1 T.R. 602, 605 (K.B. 1787), the Court of King's Bench (the principal common law court of the time) set aside an infringement judgment because the jury had not "fully and fairly examined" whether

¹¹Because of the incomplete and unofficial nature of court reporting in England in the late 18th century and because of the passage of years before case reports were published, it was common for manuscripts of noteworthy cases to be circulated among the judges and lawyers. OLDHAM, *supra* at 104. Other sources confirm the particular significance of the *Liardet* case. See E. W. Hulme, *On the History of the Patent Law in the 17th and 18th Century*, 18 LAW Q. REV. 280, 317-18 (1902).

the patent was vague or misleading. Rather than make those determinations itself, the court remanded the case for a new trial. An influential 1791 authority confirmed that juries, in determining the validity of a patent, also must determine "[t]he meaning of the specification." F. BULLER, *AN INTRODUCTION TO THE LAW RELATIVE TO TRIALS AT NISI PRIUS*, ch. VII, at 76 (6th ed. 1791).¹² See also WILLIAM HANDS, *THE LAW AND PRACTICE OF PATENTS FOR INVENTIONS*, London (1808) (in a proceeding attacking a patent where legal objections are asserted "the record is sent into the Court of the King's Bench, to be tried by a Jury, who decide on the facts put in issue; . . ."). *Id.* at 17.

It therefore is clear that 18th century English juries were required to interpret disputed patent terms in bringing in general verdicts.¹³ Thus, a case requiring interpretation of a patent specification was, to use Chief Judge Archer's words, "an action [that] could be tried to a jury in 1791. . . ." 43a. This was the unequivocal state of the law as of the

¹²Francis Buller was a Justice on the King's Bench between 1778 and 1794. His work on trial practice, *Nisi Prius*, was widely used and respected. See, e.g., XII W. HOLDSWORTH, *A HISTORY OF ENGLISH LAW* 354 (1938) ("a good deal more than a book of practice").

¹³This conclusion finds further support in cases involving other grants under the Statute of Monopolies, 21 Jac. 1, ch. 3, § 2 (1623), which held explicitly, before 1791, that juries must resolve relevant interpretive disputes. For example, in *Collins v. Sawrey*, 4 Bro. P.C. 692, 699 (H.L. 1772), the House of Lords rejected an argument that the "construction" of a charter, because it depended on "written evidence," should not have been "tried . . . by a jury" (emphasis in original). Similarly, in *Mayor of Kingston Upon Hull v. Horner*, 1 Cowp. 102, 108 (K.B. 1774), the court held that a dispute about the interpretation of a charter "is a question of fact" and "therefore most proper to be left to the decision of the jury."

date of adoption of the Seventh Amendment preserving the right to jury trial.

English cases decided after 1791 reiterated that this settled practice applies to patents. In *Hornblower v. Boulton*, DAVIES PATENT CASES 221 (K.B. 1799), an action was brought for the alleged infringement of a patent granted to James Watt for "a method of lessening the consumption of steam and fuel in fire-engines." The defendant contended that the specification was inadequate. In affirming the jury finding that the specification was sufficiently specific, Justice Lawrence stated that, "[w]hether those directions [to enable a workman to execute the invention] were or were not sufficient, is not now a question for our decision; it was a question for the determination of the jury, and they have decided it." Thus, the court recognized that a jury should determine on the evidence whether the language and terms of the specification sufficiently described the invention so it could be understood and used by a skilled artisan.

Similarly, in *Huddart v. Grinshaw*, DAVIES PATENT CASES 265 (K.B. 1803), suit was brought for the infringement of a patent for a method of making cables. The defendant challenged the validity of the patent claiming that the alleged invention disclosed in the patent was not new. Lord Ellenborough instructed the jury that it was their duty to construe the specification to determine if what was disclosed constituted a "new invention." Similarly, in modern patent law in the United States, it is necessary to interpret the patent to decide whether it discloses a new invention.

The jury was similarly instructed in *Bovill v. Moore*, DAVIES PATENT CASES 361 (Common Pleas 1816), where the plaintiff brought an action for the infringement of a patent for a machine for manufacturing lace. The alleged

infringer claimed that the described invention was not new. The jury interpreted the specification and found that the invention was not new.

Finally, in *Neilson v. Harford*, WEBSTER PATENT CASES 295, 370 (1841), the Court of Exchequer (also a common law court) explained that while a judge must "construe all written instruments," the "true meaning of the words in which they are couched, and the surrounding circumstances, if any," must be "ascertained by the jury." The *Neilson* court agreed that it was "peculiarly the province of a jury" to construe "as matters of fact" patent terms that might constitute "words of art, words of commerce, [and] words which are used in some sense different from their ordinary sense. . . ." *Id.* at 367.

In the United States, the role of the jury in interpreting patents in accordance with English practice is illustrated by the case of *Washburn v. Gould*, 29 F. Cas. 312 (C.C.D. Mass. 1844). Summarizing the English practice and citing *Neilson*, Judge Story explained that, while courts would construe the legal effect of patents, juries would determine their meaning:

[T]he jury are judge of the meaning of words of art, and technical phrases, in commerce and manufactures, and of the surrounding circumstances, which may materially affect, enlarge or control the meaning of the words of the patent and specification.

Id. at 325.

The historical record confirms Justice Story's conclusion.¹⁴ See, e.g., *Ransom v. Mayor of New York*, 1 Fisher 252 (S.D.N.Y. 1856) (claim construction is a jury question if "there may be technical terms, or terms which need explanation by the evidence given before the jury. . . .").

The doctrine that the construction of disputed claim terms raise issues of fact to be left to the factfinder was well understood in the modern era as evidenced by decisions which predate the establishment of the Federal Circuit. For example, in *Harries v. Air King Products Co.*, 183 F.2d 158 (2d Cir. 1950), Judge Learned Hand, reviewing the decision of the district judge in a non-jury trial on the issue of claim construction, held that:

The question was of how the art understood the term, which was plainly a question of fact; and unless the finding was "clearly erroneous," we are to take this definition as controlling. . . . While Congress sees fit to set before us tasks which are so much beyond our powers, suitors must be content that we shall resort to the testimony of experts, though they are concededly advocates with the inevitable bias that advocacy engenders. We see no reason to disturb Judge Galston's acceptance of [defendant's expert witness'] testimony. . . .

Id. at 164. See also *Control Components, Inc. v. Valtek, Inc.*, 609 F.2d 763, 770 (5th Cir.), *cert. denied*, 449 U.S. 1022 (1980) (the proper meaning of a claim term "is a factual issue to be determined by the jury with reference to the specifications in the patent, the disclosures of the prior

¹⁴In *Hilton Davis Chemical Co. v. Warner-Jenkinson Co.*, 62 F.3d 1512, 1516 (Fed. Cir. 1995), the Federal Circuit acknowledged that Justice Story was "the leading intellectual property scholar of that era."

art, and the testimony of experts."); *Hurin v. Electric Vacuum Cleaner Co.*, 298 F. 76, 78 (6th Cir. 1924) ("[i]n case of a controversy as to the construction of a patent claim, it may usually be true . . . that a substantial issue of fact for the jury, resting on extrinsic evidence, is involved.").

The force of these cases goes beyond the particular holdings and interpretative issues presented to the respective juries. In these cases, running from the late 18th century until the 1980's, the analysis does not evince any hostility towards jury trials. There is no effort to manipulate labels, terms or forms to take questions from the jury. Instead, the rich heritage of jury trial is understood and affirmed. These cases accept the commands of the Seventh Amendment. The constitutional analysis is not distorted by a search for loopholes. That rich constitutional tradition has experienced a remarkable and devastating reversal by the majority opinion below which ignores the binding past and portends mischief in the future for patent cases in particular and the Seventh Amendment in general.

Citing no contrary historical precedent, the majority below argued that all of these cases are irrelevant simply because of "manifest differences in patent law in eighteenth century England and patent law as it exists today in Title 35 of the United States Code." 45a. That reasoning is flawed on several grounds. To begin with, "manifest differences" cannot be dispositive for purposes of Seventh Amendment analysis, which requires identifying not an identical English claim or issue that was tried to a jury, but only an "analogous" one. See *Granfinanciera, S.A. v. Nordberg*, 492 U.S. 33, 42 (1989). Moreover, the court's analysis does not address how any such "manifest differences" would affect

the specific question at issue here -- whether judges or juries should interpret patents. The majority's argument is akin to saying that, because patent infringement suits for damages no longer sound in trespass on the case - a "manifest difference" - the right to jury trial has vanished because the Seventh Amendment should be read like a tax statute rather than part of the Bill of Rights. Further, the only difference cited by the majority -- that use of the word "claim" originated in American law, 45a -- is a distinction of pure semantics, and of no substance.¹⁵ The consistent message from this Court is that the Seventh Amendment cannot be so easily and so superficially circumvented.

The historical record is uncontroverted that in England in 1791, juries interpreted patent terms in infringement cases.

¹⁵Under eighteenth-century English law, a patentee was required to enroll a "specification" that would particularly describe the nature of the invention and would enable "mechanics" to "make the machine by following the directions of the specification," J. OLDHAM, *supra*, at 732 (quoting jury instructions by Justice Buller in *Rex v. Arkwright*, as given at pp. 172-73 of the printed proceedings in the case, and as reprinted at Carpmael Patent Cases at 79, Webster Patent Cases at 66 and Davies Patent Cases at 106.) Under modern American law, a patent must contain (1) "one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention"; and (2) a "specification" that describes the invention "in such full, clear, concise, and exact terms as to enable any person skilled in the art . . . to make and use the same." 35 U.S.C. § 112. These requirements are substantively identical, regardless of whether the relevant descriptions appear in text entirely denominated as a "specification" (as in older English law) or in text denominated in part as a "claim" and in part as a "specification" (as in modern American law). A semantic distinction unrelated to the substance of the interpretive issue in dispute cannot rewrite history or abrogate the constitutional right to jury trial.

The majority erred in holding that the Seventh Amendment does not guarantee the same jury determinations today.¹⁶

C. The Holding Below Is Inconsistent With Precedent From This Court.

Citing but not analyzing ten of this Court's decisions, the majority asserted that "construction of a patent claim is a matter of law exclusively for the court." 25a-26a. Actually, those cases establish a nearly opposite proposition -- that construction or interpretation of a patent is a *factual* question for the jury, at least if the parties introduce live testimony or other extrinsic evidence. While none of these cases addressed the Seventh Amendment explicitly, they further undercut the constitutional holding below, since the Amendment unquestionably attaches to all infringement issues properly identified as "factual." See, e.g., *Walker v. New Mexico & S. Pac. R.R.*, 165 U.S. 593, 596 (1897).

In *Bischoff v. Wethered*, 76 U.S. (9 Wall) 812 (1869), a validity determination turned on whether two patents were identical. This Court held that the jury must decide that question and in so doing, of course, must interpret both

¹⁶The "Re-examination Clause" of the Seventh Amendment also prohibits the majority's approach because, as this Court has previously held, the Seventh Amendment "not only preserves the [jury trial] right but discloses a studied purpose to protect it from *indirect impairment* through possible enlargements of the power of reexamination existing under the common law, and to that end declares that 'no fact tried by a jury shall be otherwise reexamined in any court of the United States than according to the rules of the common law.'" *Baltimore & Carolina Line, Inc. v. Redmond*, 295 U.S. 654, 657 (1935) (emphasis added). See also *Capital Traction Co. v. Hof*, 174 U.S. 1 (1898). A *de novo* reexamination by the Federal Circuit is most assuredly not a reexamination according to the rules of the common law as existing in England as of 1791. See *Parsons v. Bedford*, 28 U.S. (3 Pet.) 433 (1830).

patents. The Court endorsed the "common practice" for making such determinations: to submit to the jury expert testimony regarding "the nature of the various mechanisms or manufactures described in the different patents produced." *Id.* at 814. Moreover, while noting that courts might set aside clearly incorrect verdicts "as against the weight of evidence," this Court stressed that the question would nonetheless be treated as a question of fact for resolution by the jury, and not as a question of law for the Court:

A case may sometimes be so clear that the Court may feel no need of an expert to explain the terms of art or the descriptions contained in the respective patents, and may, therefore, feel authorized to leave the question of identity to the jury, under such general instructions as the nature of the documents seems to require. And in such plain cases the Court would probably feel authorized to set aside a verdict unsatisfactory to itself, as against the weight of the evidence. But in all such cases *the questions would still be treated as a question of fact for the jury, and not as a question of law for the court.* And under this rule of practice, counsel would not have the right to require the court, as a matter of law, to pronounce upon the identity or diversity of the several inventions described in the patents produced.

Id. (emphasis added).¹⁷

¹⁷The majority attempted to distinguish *Bischoff* as a case involving "a question of invalidity in a breach of contract action." 54a. It failed to explain why, if juries interpret patents in that context, they should not also interpret patents in the context of infringement determinations. The purported distinction made by the majority between validity and infringement determinations is especially bizarre, since the Federal

(continued...)

In *Tucker v. Spalding*, 80 U.S. (13 Wall.) 453 (1871), this Court applied *Bischoff* in the context of a patent claim. The Court held that an existing patent and related expert testimony regarding the issue of "diversity or identity" were improperly withheld from the jury. The Court described the issue of identity as a "mixed question of law and fact," holding that "the resemblance [of the two patents] was close enough to require the submission of the question of identity to the jury, and the admission of the testimony of experts on that subject." *Id.* at 456. The Court explained that:

Whatever may be our personal opinions of the fitness of the jury as a tribunal to determine the diversity or identity in principle of mechanical instruments, it cannot be questioned that when the plaintiff, in the exercise of the option which the law gives him, brings his suit in the law in preference to the equity side of the court, that question must be submitted to the jury, if there is so much resemblance as raises the question at all. And though the principles by which the question must be decided may be very largely propositions of law, it still remains the essential nature of the jury trial that while the court may on this mixed question of law and fact, lay down to the jury the law which should govern them, so as guide them to truth, and guard them against error, and may, if they

¹⁷(...continued)

Circuit has consistently held that patents must be interpreted identically for both purposes. See, e.g., *Intervet America, Inc. v. Kee-Vet Lab., Inc.*, 887 F.2d 1050, 1053 (Fed. Cir. 1989) ("claims must be given the same construction when considering infringement as when considering validity." (emphasis in original)); *Smithkline Diagnostics*, 859 F.2d at 882 (same).

disregard instructions, set aside their verdict, the ultimate response to the question must come from the jury.

Id. at 455.

In *Heald v. Rice*, 104 U.S. 737 (1881), a validity defense turned on whether a reissued patent and an original one were identical. This Court interpreted the two patents because their language was "clear" with respect to identity. *Id.* at 749. Moreover, the Court distinguished *Bischoff* on precisely that ground: "if it appears from the face of the instruments that extrinsic evidence is not needed to explain terms of art," the Court said, construction or interpretation "consequently is [a] matter of law for the court." *Id.* (emphasis added). See also *Market Street Cable Ry. Co. v. Rowley*, 155 U.S. 621, 625 (1895) (patent construction presents a "matter of law for the court" where "[n]o extrinsic evidence was given or needed to explain terms of art, or to apply the descriptions to the subject matter") (citing *Heald*); *Singer Mfg. Co. v. Cramer*, 192 U.S. 265, 275 (1904) (construing patent as a matter of law because "it is apparent from the face of the instrument that extrinsic evidence is not needed to explain terms of art therein, or to apply the descriptions to the subject matter") (citing *Heald* and *Market Street Cable*).

Virtually every other case cited by the majority below is a close variant of *Heald* and its progeny. For example, in *Hogg v. Emerson*, 47 U.S. (6 How.) 437, 484 (1848), this Court construed as a matter of law a patent whose "language" presented "no difficulty" with respect to the interpretive question at issue. In *Winans v. New York & Erie R.R. Co.*, 62 U.S. (21 How.) 88, 101 (1858), this Court imposed as a matter of law the "only construction" of which the patent was capable. And in *Keystone Bridge Co. v. Phoenix Iron Co.*, 95 U.S. 274, 276 (1877), this Court construed as

a matter of law a patent whose "[w]ords cannot show more plainly" which interpretation was proper.¹⁸

None of these cases undercuts the Seventh Amendment protection for patent interpretation issues that a proper historical analysis establishes. As the Federal Circuit explained, extrinsic evidence cannot "enlarge, diminish or vary" the terms of a patent, but can only aid in their interpretation. 33a. Where the terms themselves are clear without resorting to extrinsic evidence, there is simply no genuine interpretive dispute for a jury to determine. In that situation, the Seventh Amendment has never prevented courts from making the relevant determination as a matter of law. See, e.g., *Galloway v. United States*, 319 U.S. 372, 388-93, *reh'g denied*, 320 U.S. 214 (1943) (Seventh Amendment does not prevent directed verdict); *Fidelity & Deposit Co. v. United States*, 187 U.S. 315, 319-21 (1902) (Seventh Amendment does not prevent summary judgment). Howev-

¹⁸The majority below cited three cases that simply do not address the question presented here. 25a. In *Silsby v. Foote*, 55 U.S. (14 How.) 218 (1852), this Court merely stated the hornbook rule that a combination patent cannot be infringed unless the defendant duplicates every necessary element of the combination, see, e.g., A. MILLER & M. DAVIS, *INTELLECTUAL PROPERTY: PATENTS, TRADEMARKS AND COPYRIGHT* 124 (2d ed. 1990), and then remanded for a factual determination of what elements were necessary to the patent at issue. *Silsby*, 55 U.S. at 225-26. *Winans v. Denmead*, 56 U.S. (15 How.) 330, 339 (1853), involved a patent for railroad cars shaped as "a frustum of a cone." The meaning of that term was undisputed, and this Court addressed only the question of how close to a perfect cone (which exists only as an abstract mathematical concept) a car must be in order to infringe. *Id.* at 343-44. *Coupe v. Royer*, 155 U.S. 565 (1895), held that a district court had erred in failing to instruct the jury that the patent at issue encompassed only a "vertical" rotary shaft — a critical but unambiguous element of the invention at issue. *Id.* at 574-75, 579-80.

er, when there is presented a genuine factual dispute concerning the interpretation of claim terms, that dispute must be left to the factfinder for resolution.¹⁹

The fallacy of the majority's reliance on the prior opinions of this Court to support its conclusion is reflected in the contradictory interpretations employed to support opposite conclusions. In *Associated Equipment Corp. v. Authorized Motor Parts Corp.*, 27 USPQ2d 1784 (Fed. Cir. 1993) (unpublished) (concurring), Judge Archer, the author of the majority opinion below, cited *Singer Mfg. Co.*, *supra*, and *Silsby*, *supra*, to support his conclusion that:

If the Court, after consulting the recognized sources of claim construction, perceived ambiguity in the claim language or terms used which it could not resolve from the documents, then expert testimony would have been necessary for this purpose. If that extrinsic testimony produced an evidentiary conflict, then of course the jury under proper instructions was required to resolve that factual question.

Associated Equipment Corp., 27 USPQ2d at 1788.

In his decision below, Judge Archer cites the *Silsby* and *Singer* cases for the exact opposite conclusion that, "[n]otwithstanding the apparent inconsistencies in our opinions, the Supreme Court has repeatedly held that the construction of

¹⁹The majority's reliance on several other cases decided by this Court is even more curious in light of the fact that these cases were bills of equity tried to the Court and in no way implicated the issue of the right to a jury trial. See *Exhibit Supply Co. v. Ace Patents Corp.*, 315 U.S. 126 (1942); *Loom Co. v. Higgins*, 105 U.S. 580 (1881); *Goodyear Dental Vulcanite Co. v. Davis*, 102 U.S. 222 (1880); *Bates v. Coe*, 98 U.S. 31 (1878); *Merrill v. Yeomans*, 94 U.S. 568 (1876); *Seymour v. Osborne*, 78 U.S. (11 Wall.) 516 (1870).

a patent claim is a matter of law exclusively for the Court." 25a. It is difficult to understand how reliance on these prior opinions of this Court can so fundamentally change in the course of two years. The unfortunate reality is that the majority holds a policy preference against jury decision and seeks to wish away the relevant English precedent and binding precedent from this Court.

II. THE ADDITIONAL ARGUMENTS ADVANCED BELOW ARE CONSTITUTIONALLY IRRELEVANT AND UNSOUND.

The holding below ultimately rested on a series of policy-based and theoretical arguments purportedly showing that judges should interpret patents as a matter of law. These arguments cannot succeed because all relevant Seventh Amendment considerations are historical. See, e.g., *Tull*, 481 U.S. at 417-18; *Dimick*, 293 U.S. at 476. The Seventh Amendment does not permit abridging the right to jury trial because of some perceived advantage of a decision by the judge. These considerations reflect a lack of confidence in juries not shared by the framers of the Constitution and are simply not part of a proper Seventh Amendment analysis. Even if considered on their own terms, however, the secondary considerations and "policy" arguments relied on by the majority below are without merit. Moreover, the majority rule is unsound policy because its rule is unworkable and the inevitable source of confusion.

A. The Holding Below Will Not Promote Predictability Or Accuracy In The Patent Law.

The majority first asserted that judges must interpret patents in order to ensure predictability. 28a-29a. But the court failed to explain how judicial determinations would

advance that interest to any significant degree. It is unlikely that the majority's approach will realistically enhance predictability.

To begin with, the alleged principal source of unpredictability in this context -- use of live testimony or other extrinsic evidence to augment and explain the text and prosecution history -- is a settled practice that the majority opinion below embraced, 33a, and that will continue regardless of whether interpretive authority is vested in courts or juries.²⁰ Significantly, it is entirely possible that different district courts will arrive at contradictory conclusions as to the interpretation of claim terms though confronted with an identical patent in separate infringement suits. Indeed, the Federal Circuit, in *Ramos v. Boehringer Mannheim Corp.*, 1995 U.S. App. LEXIS 25870 (Fed. Cir. Sept. 8, 1995), recently held that comity is not required between district courts with respect to their construction of claim terms of an identical patent. Therefore, the sought uniformity of claim construction of a particular patent may not be achieved until the Federal Circuit conducts its *de novo* review of the district judge's claim construction and even then different panels may disagree, perhaps leading to an *en banc* reargument.

²⁰Moreover, assessment of rights under a patent can be clarified in the context of infringement determinations that turn on factual questions of patent interpretation, whether decided by judge or jury: if a plaintiff prevails under an expansive interpretation, then prospective defendants learn about a grave risk of liability; and if a plaintiff loses under a narrow interpretation, then prospective defendants may bar the plaintiff, under ordinary principles of issue preclusion, from asserting the broad interpretation in subsequent litigation. See, e.g., *Blonder-Tongue Lab., Inc. v. University of Ill. Found.*, 402 U.S. 313 (1971).

Similarly, different panels may arrive at variant decisions for similar patents.

Thus, *de novo* review by the Federal Circuit will hardly enhance predictability on the part of the patent practitioner or those skilled in the art. In the final analysis, predictability may be more elusive by treating factual disputes as legal questions. In any event, this search for elusive enhanced predictability is a poor excuse for turning the Seventh Amendment on its head.

Second, the majority below also asserted that judicial interpretation will ensure accuracy. 28a-29a. This assertion reflects the majority's dissatisfaction with jury decisions and its confidence that the Federal Circuit can do the job better. To the extent the majority rested on the proposition that judges "trained in the law" are expert at analyzing often scientifically complex items such as the text of a patent and its "associated public record," its analysis ignores that a factual issue exists only if these materials require explanation to determine their meaning to one with ordinary skill in the art, at which point live and extrinsic testimony becomes appropriate, and even essential.

Moreover, the premise that a judge will more accurately interpret a patent is, at best, speculative. In *Laitram Corp. v. NEC Corp.*, 62 F.3d 1388, 1394-95 (Fed. Cir. 1995), decided after the Federal Circuit's decision in *Markman*, the court reversed a post-verdict judgment entered by the trial court and ordered reinstatement of the jury's verdict of infringement, holding that the court's interpretation of the

patent was erroneous while the jury had reached a correct interpretation on special interrogatories.²¹

Alternatively, to the extent the majority rested on the proposition that judges are simply better at assessing complicated trial testimony, its reasoning is inconsistent with an additional bedrock Seventh Amendment principle -- that the amendment contains no exception for complexity. *See, e.g., Slocum v. New York Life Ins. Co.*, 228 U.S. 364, 388 (1913) (applicability of the Seventh Amendment is "not a question of whether the facts are difficult or easy of ascertainment"). This Court has repeatedly rejected this notion, remarking that the sometimes "onerous nature" of the protection provided by the Seventh Amendment is "no license for contracting the rights secured by the Amendment." *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 346 (1979) (Rehnquist, J. dissenting). The dubious hope for enhanced predictability and accuracy is a weak excuse for inroads on the Seventh

²¹It is puzzling why in the interest of a search for accuracy the majority simply performed radical surgery on the institution of jury trial and the Seventh Amendment without exploring other tools readily at hand to deal with the majority's apparent dissatisfaction with jury findings. Just by way of example, special interrogatories to the jury are available to focus the jury on a particular issue and to put judges in a better position to review jury verdicts for sufficiency of evidence and possible misunderstanding of the law. Similarly, instructions to the jury could be more pointed and more clear to assure that the jury is focused on the correct issue and understands its role. The practice in instructions that the less said the better should be reformed before litigants are deprived of their right to jury trial. If there is a perceived problem with jury decisions in patent cases - and petitioners doubt that there is a real problem - it should be addressed by management of the trial rather than by a frontal assault on the constitutional right to jury trial.

Amendment which in any event are blocked by the historical record and the teachings of this Court.²²

Finally, in seeking to sidestep the Seventh Amendment by characterizing patent interpretation questions as legal, the majority undermines sound policy long governing the relationship between appellate and trial court. To achieve its goal, the majority was forced to vest ultimate interpretive authority not with the various district courts, but with itself. 44a n.13 It is perhaps debatable, at least as a policy matter, whether district judges or juries are better situated to make determinations requiring an evaluation of conflicting live testimony. It is little short of absurd, however, to imagine that the Federal Circuit is better situated than are the triers of fact (whether judge or jury) to make such determinations.

Under the majority rule, the Federal Circuit weighs evidence and assess credibility and demeanor from the cold record based on briefs and a short oral argument, in contrast to the flexible trial process where time can be budgeted as appropriate and the trier sees and hears the witnesses. The majority has taken on an enormous task and created an unworkable regime for interpreting patents. *See* pages 46-49 *infra*. Thus, the majority erred badly even assuming that this case involves nothing more than a subconstitutional question about appropriate standards of review. *See, e.g., Pierce v. Underwood*, 487 U.S. 552, 560 (1988) (standard of review turns on who is "better positioned . . . to decide

²²Attempts to create a complexity exception to the Seventh Amendment have been refused. *See, e.g., United States v. Torniero*, 735 F.2d 725, 734 (2d Cir. 1984), *cert. denied*, 469 U.S. 1110 (1985); *In re U.S. Fin. Sec. Litig.*, 609 F.2d 411, 432 (9th Cir. 1979), *cert. denied*, 446 U.S. 929 (1980). *Cf. Blonder-Tongue Lab.*, 402 U.S. at 331-32 (no complexity exception to issue preclusion in patent context).

the issue in question'" (citation omitted)). Sound policy runs counter to the new rule created by the majority.

B. The Majority's Analogy To Statutory Construction Is Inappropriate.

The interpretation of disputed patent terms is clearly a factual exercise. As conceded by the majority, often the interpretation of patent terms is resolved by a resort to the testimony of competing expert witnesses about the meaning of patent terms to those of skill in the art. 12a.²³ See also, *Pall Corp. v. Micron Separations, Inc.*, 66 F.3d 1211 (Fed. Cir. 1995) (Mayer, J. concurring). Yet, the majority disregards what is clearly a fact-finding process by invoking the generality that "[i]t has long been and continues to be a fundamental principle of American law that 'the construction of a written evidence is exclusively with the court'", 26a, notwithstanding that the Federal Circuit has itself acknowledged that where the meaning of a term in a written document is in dispute and extrinsic evidence is introduced to aid in its interpretation, the question of its meaning is a question of fact, not a question of law. See, e.g., *Bata Sys., Inc. v. United States*, 838 F.2d 1179, 1183 (Fed. Cir. 1988).

Even apart from the historical record demonstrating that interpretation of patent terms was a jury function prior to 1791, interpretation and construction of a patent, as with any written instrument, involve different phases of analysis that

²³See, e.g., *North American Vaccine, Inc. v. American Cyanamid Co.*, 7 F.3d 1571, 1573 (Fed. Cir. 1993) (immunogenic polysaccharide-protein conjugates); *Bio-Rad Lab., Inc. v. Nicolet Instrument Corp.*, 739 F.2d 604, 606 (Fed. Cir.) (interferometric optical phase discrimination) cert. denied, 469 U.S. 1038 (1984); *McGill, Inc. v. John Zink Co.*, 736 F.2d 666, 668 (Fed. Cir.) (recovered liquid hydrocarbon absorbent) cert. denied, 469 U.S. 1037 (1984).

may require that certain issues be resolved by the jury. The former involves an attempt to discern the meaning of the terms and words used in a written instrument. The latter involves a determination of the legal effect of a written instrument after the meaning of its language has been adopted by the process of interpretation.²⁴

This distinction has a significant impact upon the respective roles of the jury and the trial judge.²⁵ In *Goddard v. Foster*, 84 U.S. (17 Wall) 123, 142 (1872), this Court observed that it was well-settled that written instruments are to be construed by the court *except* when they contain technical words or terms of art whose meaning depends upon extrinsic facts and circumstances, in which case the inference to be drawn must be left to the jury. Similarly, in *Great Northern Railway Co. v. Merchants Elevator Co.*, 259 U.S. 285, 291-92 (1922), this Court again stated this settled principle in an action relating to the interpretation and construction of a tariff:

[W]ords [in a written instrument] are used sometimes in a peculiar meaning. Then extrinsic evidence may be necessary to determine the meaning of words appearing in the document. This is true where technical words or phrases

²⁴See generally A. Corbin, *Corbin on Contracts* § 534; S. Williston, *Williston on Contracts* § 602; *Restatement (Second) of Contracts* § 200.

²⁵*Corbin on Contracts* § 554. See also, *Williston on Contracts* § 616 (the jury's function in the interpretation of documents will arise whenever, in view of the circumstances and usages offered in evidence, the meaning of the writing is not so clear as to preclude doubt by a reasonable man of its meaning); *Restatement (Second) of Contracts* § 212(2) (interpretation of an integrated agreement is to be determined by the trier of fact if it depends on the credibility of extrinsic evidence or a choice among reasonable inferences to be drawn from extrinsic evidence).

not commonly understood are employed. Or extrinsic evidence may be necessary to establish a usage of trade or locality which attaches provisions not expressed in the language of the instrument. Where such a situation arises, and the peculiar meaning of words, or the existence of a usage, is proved by the evidence, the function of construction is necessarily preceded by the determination of the matter of fact. Where the controversy over the writing arises in a case which is being tried before a jury, the decision of the question of fact is left to the jury, with instructions from the court as to how the document shall be construed, if the jury finds the alleged peculiar meaning or usage is established.

The majority criticizes the concurring and dissenting opinions for relying upon cases applying these principles to contracts or deeds, even though this Court has analogized patents to such documents.²⁶ Instead, the majority asserts that a better analogy for interpreting patent claims is the statutory interpretation process. But that mistaken analogy is irrelevant for Seventh Amendment purposes. Whatever the majority sees in this analogy in 1995, it was not the law in 1791. Instead, in 1791, it was clearly recognized that the appropriate analogy was to contract.²⁷ There is no hint that

²⁶See, e.g., *Goodyear Dental Vulcanite Co. v. Davis*, 102 U.S. 222, 227 (1880) (contract); *Motion Picture Patent Co. v. Universal Film Mfg. Co.*, 243 U.S. 502, 510 (1917) (deed).

²⁷See JOHN DAVIES, *DAVIES PATENT CASES*, 434, (London 1816) ("It was said by Lord Eldon, in *Cartwright v. Amatt*, that patents are to be considered as bargains between the inventors and the public. . .). The analogy to statutory construction has, to petitioners' knowledge, never been used by the Federal Circuit prior to this appeal.

the strained analogy to statutes was ever used or considered at common law. Thus, in applying the Seventh Amendment, the analogy used in England at the time of the Bill of Rights is controlling, and ingenious analogies conjured up in the 1990's are beside the point.

Further, at best, the purported analogy between statutory construction and patent interpretation, comparing statutory text to patent claims, and legislative history to prosecution history, is very limited. 51a-52a. The analogy breaks down when those sources are unclear, for while no court would permit legislators (or experts) to present testimony about the meaning of a statute, courts routinely permit experts and inventors to testify about the meaning of a patent, as the Federal Circuit acknowledged. 12a. In that critical respect, patents are indeed more like contracts than like statutes.

Statutes are not interpreted by a trial process where evidence is weighed and credibility and demeanor evaluated; that is an important reason why statutes can be interpreted by an appellate court as well as a district court judge. The process of weighing evidence and evaluating credibility is the method for resolving disputes of facts.²⁸ It turns jurisprudence on its head to characterize that process as the way to

²⁸After the holding below, a district judge, in struggling with the near impossible task of complying with it, emphasized: "When two experts testify differently as to the meaning of a technical term, and the court embraces the view of one, the other, or neither while construing a patent claim as a matter of law, the court has engaged in weighing evidence and making credibility determinations." *Lucas Aero., Ltd. v. Unison Indus., L.P.*, 1995 U.S. Dist. LEXIS 8414 at *8 n.7 (D. Del. June 2, 1995). When evidence is weighed and credibility is evaluated, the judge is resolving a factual dispute, not deciding an issue of law. The substance of the inquiry must control.

decide a question of law. This settled method for finding facts cannot be magically transformed into an issue of law by simply saying so. A change of label cannot change the substance. In jury trials, finding of facts on the merits is for the jury as mandated by the Seventh Amendment.

C. The Federal Circuit's Decision Will Disrupt Settled Areas Of Patent Law.

In addition to being constitutionally infirm and unsupported by the alleged policy justifications underlying its decision, the unworkable majority opinion has and will continue to result in the disruption of other settled areas of the law. Both the Federal Circuit and district courts, subsequent to the majority opinion, have struggled to follow principles that are illogical, unrealistic and impossible in application. The inevitable has resulted: confusion and constitutional error abound.

As a result of its self-proclaimed superiority in deciding issues of claim construction, the Federal Circuit in recent opinions has decided such factual questions without either the benefit of a prior district court decision or the development of an evidentiary record sufficient to make this determination. In *Mason v. Tampa G Mfg. Co.*, 1995 U.S. App. LEXIS 28368 (Fed. Cir. Oct. 12, 1995), the district court granted summary judgment on the erroneous basis that the alleged infringer had obtained a patent on its accused product and, consequently, could not infringe the plaintiff's patent. On appeal, the Federal Circuit acknowledged the error of law committed by the district court but nonetheless affirmed its decision on the basis that its *de novo* claim construction yielded a result of no infringement. There is no indication that the district court ever construed the disputed claim terms, and more importantly, there is nothing in the Federal

Circuit opinion to suggest that the parties had the opportunity to submit evidence (for example, expert testimony) in support of their respective positions on the disputed construction issue. Nonetheless, the Federal Circuit, sitting *de facto* as a trial court and without a full evidentiary record, saw fit to construe the claims and render a final decision of no infringement.²⁹

This approach is a radical departure from our law and notions of fairness. It obliterates the well-defined roles of the judge, jury and appellate court and denies litigants a fair trial. See also, *Regent Lighting Corp. v. FL Industries, Inc.*, 60 F.3d 840 (Fed. Cir. 1995) (in reviewing a bench trial, a panel of the Federal Circuit not only reinterpreted the patent claims *de novo*, but also held the patent invalid on the basis of obviousness by both deciding factual issues underlying obviousness in light of the reinterpreted claims and evaluating prior art not considered by the district judge).

Thus, the implication of *Markman* goes well beyond claim interpretation. It is an invitation and a springboard for the Federal Circuit to ignore important distinctions between fact and law and between trial courts and appellate courts and decide issues that are reserved for the trial judge or jury. The decision in *Markman* changes the landscape in patent

²⁹As the dissenting opinion of Judge Rader explains:

This court properly notes the district court's error, but then proceeds to act as a trial court and examined the summary judgment motion, rather than review the district court's decision for reversible error. Without the guidance, the context, or the full record available to the trial court, this court overlooks genuine issues of fact in its rush to reach summary judgment.

Id. at *15.

infringement litigation beyond the issue of claim construction, as critical as that is.³⁰

The majority opinion has also created confusion among the district courts regarding the permissible evidentiary basis for resolving disputed issues of claim construction. The contrasting approaches taken by two recent district court judges confronted with this issue demonstrates the confusion being created by the decision of the majority below.

In *Lucas Aero., Ltd. v. Unison Indus., L.P.*, 1995 U.S. District LEXIS 8414 (D. Del. June 2, 1995), the district court was confronted with competing expert testimony on the issue of claim construction. The court read the majority opinion below as precluding it from making credibility determinations en route to construing the claim language. The trial judge, frustrated at being forced to treat a factual inquiry involving credibility as a question of law, pointedly said: "[b]ut when the Federal Circuit Court of Appeals states that the trial court does not do something [weighing evidence and making credibility determinations] that the trial court does and must do to perform the judicial function, that court knowingly enters a land of sophistry and fiction." *Id.* at *8 n. 7. The court went on to make clear that "bound by slavish adherence to the fiction that a judge does not make credibility determinations when confronted with testimonial extrinsic evidence en route to pronouncing the 'true' meaning of the patent claim," his opinion was crafted so to omit reference

³⁰The majority's approach cannot be limited on principle to patent cases. If it prevails, the right to jury trial in civil cases will be in jeopardy in many contexts and the primacy of the 1791 English practice will be undermined.

to necessary and inevitable "credibility assessments" which he had made. *Id.*

The district judge's approach in *Lucas* should be contrasted with the approach taken by the district judge in *Elf Atochem North America, Inc. v. Libbey-Owens-Ford Co.*, 891 F. Supp. 844 (D. Del. 1995), where the district judge laid out in detail the factors which he was considering in making credibility assessments. During an evidentiary hearing (designated as a "Markman trial") the judge heard evidence from competing technical expert witnesses who testified in support of the respective positions of the parties as to the meaning of terms used in the claims. In weighing the competing evidence of these experts and deciding which to adopt, the judge considered credibility issues such as their educational backgrounds; the number and nature of the publications authored by them in the relevant field of technology; their employment backgrounds; the amount of experience each had in the technological field; the number of patents each held; awards received by them; and the amount of compensation received from the parties. *Id.* at 850-862.

The contrasting approaches adopted by these district judges demonstrates the confusion engendered by the majority opinion. The rule imposed by the majority below is not only unconstitutional -- it is unworkable and mischievous policy.

CONCLUSION

For the reasons set forth herein, petitioners respectfully urge this Court to reverse the decision of the United States Court of Appeals for the Federal Circuit and remand for further proceedings before the Court of Appeals or the district court in accordance with the decision of this Court.

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